

Agency Legislative Budget

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Agency Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	355.03	7.75	6.75	369.53	7.75	6.75	369.53	369.53
Personal Services	15,630,089	2,207,085	311,279	18,148,453	2,199,821	299,849	18,129,759	36,278,212
Operating Expenses	24,154,345	13,612,036	5,690,080	43,456,461	1,385,063	4,018,603	29,558,011	73,014,472
Equipment	102,112	2,563	0	104,675	2,563	0	104,675	209,350
Grants	1,457,581	316,599	0	1,774,180	431,998	0	1,889,579	3,663,759
Benefits & Claims	0	1,025,000	0	1,025,000	1,025,000	0	1,025,000	2,050,000
Transfers	0	0	0	0	0	0	0	0
Total Costs	\$41,344,127	\$17,163,283	\$6,001,359	\$64,508,769	\$5,044,445	\$4,318,452	\$50,707,024	\$115,215,793
General Fund	3,053,744	870,211	318,411	4,242,366	879,281	306,205	4,239,230	8,481,596
State/Other Special	17,829,392	8,035,211	3,806,521	29,671,124	7,187	2,135,980	19,972,559	49,643,683
Federal Special	20,460,991	8,257,861	1,876,427	30,595,279	4,157,977	1,876,267	26,495,235	57,090,514
Total Funds	\$41,344,127	\$17,163,283	\$6,001,359	\$64,508,769	\$5,044,445	\$4,318,452	\$50,707,024	\$115,215,793

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Legislative Budget Analysis, C-48

Agency IssuesResource Indemnity Trust

The department uses several resource indemnity related funds for various reclamation projects and general department operations. This includes reclamation and development, renewable resources, orphan share, hazardous waste/CERCLA, environmental quality protection fund (EQPF), and the orphan share.

Due to funding short falls in the hazardous waste/CERCLA and environmental quality protection fund, the legislature reduced program expenditures and moved hazardous waste funding to non-budgeted private dollars received as restitution in a criminal case. The court order specifically directs the use of these funds to the hazardous waste program.

Legislation to allow transfer authority from the orphan share to the hazardous waste and environmental quality protection fund is pending. This legislation would allow up to \$600,000 to be transferred during the biennium to assist with cash flow problems. If this legislation is passed and approved, reductions taken in the EQPF program may be reinstated.

The utilization of RIT related accounts and funding shortfalls prompted the Natural Resources and Commerce Joint Appropriations Subcommittee to request a committee bill to review and analyze the current funding formulas as well as present options to the next legislative session.

Employee Turnover

The legislature approved a series of present law adjustments to restore base operations for programs that had significant vacancies in the base year. Recruitment and retention for environmental scientists continues to be a challenge for the department.

In addition the legislature approved an additional 14.50 FTE based on workload needs. The FTE will provide assistance with backlogs in permitting and compliance as well as the total maximum daily load program. The legislature approved the FTE after reviewing department plans for increased recruitment and retention efforts.

Executive Budget Comparison

The following table compares the legislative budget for the 2007 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2004	Executive Budget Fiscal 2006	Legislative Budget Fiscal 2006	Leg – Exec. Difference Fiscal 2006	Executive Budget Fiscal 2007	Legislative Budget Fiscal 2007	Leg – Exec. Difference Fiscal 2007	Biennium Difference Fiscal 06-07
FTE	355.03	374.53	369.53	(5.00)	374.53	369.53	(5.00)	
Personal Services	15,630,089	18,311,621	18,148,453	(163,168)	18,287,926	18,129,759	(158,167)	(321,335)
Operating Expenses	24,154,345	69,121,152	43,456,461	(25,664,691)	28,143,023	29,558,011	1,414,988	(24,249,703)
Equipment	102,112	104,675	104,675	0	104,675	104,675	0	0
Grants	1,457,581	1,774,180	1,774,180	0	1,889,579	1,889,579	0	0
Benefits & Claims	0	4,100,000	1,025,000	(3,075,000)	0	1,025,000	1,025,000	(2,050,000)
Transfers	0	0	0	0	0	0	0	0
Total Costs	\$41,344,127	\$93,411,628	\$64,508,769	(\$28,902,859)	\$48,425,203	\$50,707,024	\$2,281,821	(\$26,621,038)
General Fund	3,053,744	6,129,497	4,242,366	(1,887,131)	4,096,940	4,239,230	142,290	(1,744,841)
State/Other Special	17,829,392	55,769,689	29,671,124	(26,098,565)	18,750,191	19,972,559	1,222,368	(24,876,197)
Federal Special	20,460,991	31,512,442	30,595,279	(917,163)	25,578,072	26,495,235	917,163	0
Total Funds	\$41,344,127	\$93,411,628	\$64,508,769	(\$28,902,859)	\$48,425,203	\$50,707,024	\$2,281,821	(\$26,621,038)

The legislative budget is \$26.7 million or 30.5 percent less than the executive budget proposal. The legislature did not approve \$1.6 million in general fund and \$24.9 million in state special revenue.

The reduction in general fund is the net result of the decision not to approve a \$2.0 million appropriation for a hazardous waste study and a contingent appropriation to fund a methamphetamine lab cleanup program.

The legislature approved \$24.9 million less in state special revenue authority than the executive budget proposal. This can be attributed to:

- Decision to not approve \$763,250 for 3.00 FTE to establish an air permitting process for the oil and gas industry
- Movement of \$608,000 to a non-budgeted funding source to eliminate negative balances in two resource indemnity accounts
- Elimination of 2.0 FTE and operating costs in the water protection bureau for approximately \$300,000
- Reduction of appropriations from the orphan share account from \$4.1 million to \$3.5 million
- Reduction in authority to collect fees for environmental impact statements under the Montana Environmental Policy Act (MEPA) by \$1.0 million
- Removal of \$21.6 million of state special revenue associated with hard rock bond forfeitures with utilization of the budget amendment process if forfeitures occur.

The level of federal special revenue proposed by the executive was adopted by the legislature.

The executive proposed an increase of 19.50 FTE, and the legislature approved 14.50 FTE. These FTE will provide increased staffing for the total maximum daily load program and assist with eliminating the backlog in the Permitting and Compliance Division.

Agency Highlights

Department of Environmental Quality Major Budget Highlights	
♦	Bond forfeitures total \$11.4 million
♦	9.00 FTE (5.00 permanent and 4.00 temporary) were approved to provide staffing to complete total maximum daily loads (TMDL) by the court-imposed deadline.
♦	The legislature did not approve a \$2.0 million general fund appropriation for a hazardous waste study in northwest Montana.
♦	7.5 FTE were approved for the permitting and compliance division to assist with backlogs and increased workloads.
♦	Increased authority was provided to support increased grants to counties from junk vehicle fees
♦	Funding shortfalls from RIT related accounts - Hazardous Waste/CERCLA and Environmental Quality Protection Fund (EQPF) - resulted in reducing expenditures in the EQPF program and re-financing the hazardous waste program with non-budgeted private dollars
♦	Other increases were primarily due to full staffing and operating costs for a number of positions vacant for all or a portion of the base year
♦	The legislature did not approve 3.00 FTE and \$763,250 over the biennium for air permitting of oil and gas production
♦	The legislature reduced the appropriation from the orphan share by \$0.6 million over the biennium.

Funding

The following figure summarizes funding for the agency, by program and source, as adopted by the legislature. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Agency Funding 2007 Biennium Legislative Budget					
Agency Program	General Fund	State Spec.	Fed Spec.	Grand Total	Total %
10 Central Management Program	\$ 634,964	\$ 3,225,501	\$ 304,741	\$ 4,165,206	3.62%
20 Plan.Prevent. & Assist.Div.	5,130,934	1,917,028	20,814,088	27,862,050	24.18%
30 Enforcement Division	801,664	503,573	715,773	2,021,010	1.75%
40 Remediation Division	-	12,783,779	20,876,176	33,659,955	29.21%
50 Permitting & Compliance Div.	1,914,034	30,026,745	14,379,736	46,320,515	40.20%
90 Petro Tank Release Comp. Board	-	1,187,057	-	1,187,057	1.03%
Grand Total	<u>\$ 8,481,596</u>	<u>\$ 49,643,683</u>	<u>\$ 57,090,514</u>	<u>\$ 115,215,793</u>	<u>100.00%</u>

Program Legislative Budget

The following table summarizes the legislative budget proposal for the program by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	11.00	0.00	0.00	11.00	0.00	0.00	11.00	11.00
Personal Services	495,078	107,368	0	602,446	107,456	0	602,534	1,204,980
Operating Expenses	593,848	692,436	331,212	1,617,496	567,670	181,212	1,342,730	2,960,226
Equipment	0	0	0	0	0	0	0	0
Total Costs	\$1,088,926	\$799,804	\$331,212	\$2,219,942	\$675,126	\$181,212	\$1,945,264	\$4,165,206
General Fund	253,386	64,231	0	317,617	63,961	0	317,347	634,964
State/Other Special	647,125	771,708	331,212	1,750,045	647,119	181,212	1,475,456	3,225,501
Federal Special	188,415	(36,135)	0	152,280	(35,954)	0	152,461	304,741
Total Funds	\$1,088,926	\$799,804	\$331,212	\$2,219,942	\$675,126	\$181,212	\$1,945,264	\$4,165,206

Page Reference

Legislative Budget Analysis, C-56

Funding

The majority of the functions in this division are funded with non-budgeted proprietary funds, and are not appropriated through HB 2. The proprietary funding is based upon a negotiated indirect rate with the United States Environmental Protection Agency (EPA). The indirect rate is assessed against funding for all personal services, temporary services, and work-study projects within each division, and transferred to the Central Management Program to fund operating costs. A further discussion is included in the proprietary rate section. Appropriated funds consist of 23 percent general fund for support of the Board of Environmental Review and general operating costs, 39 percent Montana Environmental Protection Act (MEPA) fees from permit applications for completion of environmental impact statements, and a number of small federal grants.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget adopted by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments											
-----Fiscal 2006-----						-----Fiscal 2007-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services					132,470					132,563	
Vacancy Savings					(25,102)					(25,107)	
Inflation/Deflation					(374)					(368)	
Fixed Costs					(1,892)					(1,685)	
Total Statewide Present Law Adjustments					\$105,102					\$105,403	
DP 1004 - MT Environmental Policy Act Biennial Restricted											
	0.00	0	523,962		0	523,962	0.00	0	523,962	0	523,962
DP 1009 - Non-Proprietary Central Management Operating Adj											
	0.00	24,273	137,860		8,607	170,740	0.00	24,277	12,872	8,612	45,761
Total Other Present Law Adjustments											
	0.00	\$24,273	\$661,822	\$8,607	\$694,702	0.00	\$24,277	\$536,834	\$8,612	\$569,723	
Grand Total All Present Law Adjustments					\$799,804					\$675,126	

DP 1004 - MT Environmental Policy Act Biennial Restricted - The legislature approved an adjustment increasing the biennial restricted appropriation for the Montana Environmental Policy Act (MEPA). An outside party requesting an environmental impact statement (EIS) from the department pays the fee. The average cost of an EIS is \$350,000 to \$400,000 with an average of four EIS projects per year. \$500,000 of this appropriation is contingent upon the passage of legislation to revise MEPA fees.

DP 1009 - Non-Proprietary Central Management Operating Adj - The legislature approved an operating adjustment for MEPA administration and the Environmental Rehabilitation and Environmental Response (ERRA) program. The adjustment would cover increased costs of contracted services and travel.

New Proposals

New Proposals											
-----Fiscal 2006-----						-----Fiscal 2007-----					
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 1008 - Concentrated Animal Feed Op EIS-OTO-Biennial											
10	0.00	0	181,212		0	181,212	0.00	0	181,212	0	181,212
DP 1012 - Gallatin River EIS OTO											
10	0.00	0	150,000		0	150,000	0.00	0	0	0	0
Total	0.00	\$0	\$331,212		\$0	\$331,212	0.00	\$0	\$181,212	\$0	\$181,212

DP 1008 - Concentrated Animal Feed Op EIS-OTO-Biennial - The legislature approved a one-time only biennial appropriation of state special revenue for the 2007 biennium in response to a Montana district court order to stop issuing water quality permits to concentrated animal feeding operations (CAFO). The department is required to prepare an environmental impact statement (EIS) before any additional water quality permits can be issued.

DP 1012 - Gallatin River EIS OTO - The legislature approved a one-time only restricted appropriation to fund an environmental impact statement (EIS) on the reach of Gallatin River from the boundary of Yellowstone National Park to the intersection of Spanish Creek. This EIS would be used to determine if this reach of stream qualifies as an outstanding resource water, and the department will seek other funds to achieve the total \$250,000 estimated cost.

Language

The legislature approved the following language for inclusion in HB2:

"At the beginning of fiscal 2006, \$150,000 of the amount in excess of \$100 million is transferred from the resource indemnity tax trust to the state special revenue fund for Gallatin River EIS."

Proprietary Rates

Proprietary Program Description

The Central Management Program of the Department of Environmental Quality (DEQ) consists of the director's office, a financial services office, and an information technology office. It is the organizational component of the agency responsible and accountable for the administration, management, planning, and evaluation of agency performance in carrying out the department mission and statutory responsibilities. The director's office includes the director's staff, the deputy director, an administrative officer, public information officer, a centralized legal services unit, and a centralized personnel office. The financial services office provides budgeting, accounting, payroll, procurement, and contract management support to other divisions. The information technology office provides information technology services support to other divisions.

The centralized legal services unit has 3.00 FTE that are funded by the internal service fund, two attorneys and one paralegal. This staff provides the administration, management, and planning for the legal services unit, and specific duties for department programs, including legislation, rule making, enforcement actions, and contract review. The remainder of this unit is funded by direct charges to the programs and projects requiring the legal work.

The customers of this program are all divisions and employees of the department. Use of these services is mandated by agency policies and procedures. There are no alternative sources for the Central Management Program as a whole. The department contracts for legal services whenever it is cost effective to do so, or to obtain specific expertise for a case, or when legal jurisdiction of the case requires an attorney licensed in that state. The department contracts for information technology database development and for hosting of the department's enterprise database.

Proprietary Revenues and Expenses

The department has one proprietary fund, which is an internal service fund used to account for the department's indirect cost activity. The department anticipates negotiating an indirect cost rate with the U.S. Environmental Protection Agency (EPA) of approximately 25 percent in FY 2006 and FY 2007. Revenues generated by the current indirect cost rate fund 51.50 FTE.

The Central Management Program provides the services presented in the program description. The cost of providing support services is directly related to the number of staff served. The department negotiates an indirect rate with EPA based on that computation annually. Adjustments for over-recovery and under-recovery in the previous year are made to the calculations each year. EPA and DEQ agree to the services that are included in the indirect calculation. Funding is collected from all non-proprietary sources expended within the department. FY 2004 collections were: \$ 404,382 in general fund, \$1,635,608 in state special revenue, and \$1,608,227 in federal special revenue.

Expense Description: The major cost drivers within this program are personal services costs and fixed costs. Additional costs for overtime are incurred when workload changes, such as upgrades to the state accounting system (SABHRS), a special legislative session, and increased monitoring and oversight of budgets due to revenue shortfalls. Fixed costs continue to be a significant cost increase to the proprietary fund. The cost of providing support services is directly related to the number of staff served. Therefore, future expenses are determined by projecting increases or decreases in program staff. Non-typical and one-time expenses are backed out of the cost of providing services before calculating the indirect rate. Salaries are constant throughout the fiscal year, except during fiscal year end, executive budget preparation, and legislative session. Supplies are purchased on an as needed basis, except during peak times noted above. The indirect rate proposed to the legislature will fund 55.50 FTE.

Working Capital

The objective of program management is to recover costs to fund necessary, ongoing operation of the Central Management Program. The program has no requirement to reserve an excess fund balance. The fund normally carries a 60-day working capital balance to meet its immediate cash needs for covering payroll and various operating costs

Fund Equity

The department does not reserve a fund balance on the accounting records nor does it try to maintain a fund balance. The revenues generated should be enough to cover the current year's operations. However, due to timing factors, the fund balance does not always equal zero.

Proprietary Rate Explanation

The department negotiates an annual indirect cost rate with EPA. The approved rate is a fixed rate. This rate is applied against personal services, temporary services, and work-study contracts charged within each division of the department, other than the Central Management Program.

The legislature approved an increase in its indirect cost rate from 23 percent approved in the last legislative session to 24 percent. The rate negotiated with EPA requires a carry-forward amount be built into the rate. This carry-forward amount represents the amount the department either under-recovered or over-recovered in a given year. This computation compares what was initially negotiated versus what actually occurred. The difference is then carried forward into the following year's rate.

The department's indirect cost rate is determined based on guidelines prescribed by the federal government. In addition, the department complies with Section 17-3-111, MCA, which requires agencies to negotiate a rate that would recover indirect costs to the fullest extent possible. In order to comply with this law, the department has requested a rate that may vary slightly from the rate the department actually negotiates with EPA. The rate approved by the legislature is considered a cap. Therefore, the department cannot negotiate for a rate higher than what has been approved by the legislature. However, the rate negotiated with EPA may be slightly lower.

Program Legislative Budget

The following table summarizes the legislative budget proposal for the program by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	84.58	4.00	4.00	92.58	4.00	4.00	92.58	92.58
Personal Services	3,580,754	789,119	120,680	4,490,553	787,910	120,357	4,489,021	8,979,574
Operating Expenses	5,718,638	3,195,496	432,163	9,346,297	3,201,347	432,086	9,352,071	18,698,368
Equipment	89,491	2,563	0	92,054	2,563	0	92,054	184,108
Total Costs	\$9,388,883	\$3,987,178	\$552,843	\$13,928,904	\$3,991,820	\$552,443	\$13,933,146	\$27,862,050
General Fund	1,614,878	766,785	182,843	2,564,506	769,107	182,443	2,566,428	5,130,934
State/Other Special	643,425	312,721	0	956,146	317,457	0	960,882	1,917,028
Federal Special	7,130,580	2,907,672	370,000	10,408,252	2,905,256	370,000	10,405,836	20,814,088
Total Funds	\$9,388,883	\$3,987,178	\$552,843	\$13,928,904	\$3,991,820	\$552,443	\$13,933,146	\$27,862,050

Page Reference

Legislative Budget Analysis, C-62

Funding

The division is funded with general fund and a variety of state special and federal special revenue sources. The division's primary state special revenue funds are the fees collected for air quality permits and a portion of the RIT interest deposited in the hazardous waste/CERCLA account. The largest portion of federal funds are provided through the Environmental Protection Agency (EPA) programs, including the performance partnership grant and non-point source pollution control funding.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget adopted by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2006-----					-----Fiscal 2007-----					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services				763,375						762,798
Vacancy Savings				(173,767)						(173,739)
Inflation/Deflation				(15,459)						(15,133)
Fixed Costs				51,456						53,395
Total Statewide Present Law Adjustments				\$625,605						\$627,321
DP 2001 - Water Quality Planning Bureau Operations Adj										
0.00	22,346	30,331	421,171	473,848	0.00	16,208	30,324	418,233	464,765	
DP 2002 - Fiscal & Administrative Unit Operations Adj										
0.00	(13,815)	4,608	7,407	(1,800)	0.00	(2,662)	6,834	6,984	11,156	
DP 2003 - Technical & Financial Assistance Bureau Operat Adj										
0.00	1,811	23,377	316,901	342,089	0.00	1,804	23,674	317,715	343,193	
DP 2004 - Air Energy & Pollution Prevention Bureau Oper Adj										
0.00	34,754	161,892	321,911	518,557	0.00	33,584	163,049	320,692	517,325	
DP 2007 - Water Quality Monitoring TMDL Completion										
5.00	447,862	0	1,432,879	1,880,741	5.00	447,043	0	1,432,879	1,879,922	
DP 2019 - Database Maintenance Costs - OTO										
0.00	25,000	0	0	25,000	0.00	25,000	0	0	25,000	
DP 2021 - Statewide FTE Reduction										
(1.00)	(41,862)	0	0	(41,862)	(1.00)	(41,862)	0	0	(41,862)	
DP 2022 - Water Quality Monitoring TMDL Completion-OTO										
0.00	165,000	0	0	165,000	0.00	165,000	0	0	165,000	
Total Other Present Law Adjustments										
4.00	\$641,096	\$220,208	\$2,500,269	\$3,361,573	4.00	\$644,115	\$223,881	\$2,496,503	\$3,364,499	
Grand Total All Present Law Adjustments				\$3,987,178						\$3,991,820

DP 2001 - Water Quality Planning Bureau Operations Adj - The legislature approved a base adjustment for increased contracted services and to annualize contracts released late due to delays in federal funding.

DP 2002 - Fiscal & Administrative Unit Operations Adj - The legislature approved an adjustment for operating costs due to vacancies in the base year. The adjustment is the net affect of a reduction in contracted services, increases in supplies and travel, and indirect charges. In addition, general fund is being replaced with state special revenue and federal special revenue.

DP 2003 - Technical & Financial Assistance Bureau Operat Adj - The legislature approved operating adjustments each year of the biennium for contracted services, travel, supplies, communications, rent in non-state owned buildings, and indirect charges associated with increased staffing. The adjustment will provide for increased assistance and capacity development in the public water supply program, increased workload on the State and Tribal Agreement Grant (STAG), and annualization of the federal wetlands grant due to late receipt from the federal government.

DP 2004 - Air Energy & Pollution Prevention Bureau Oper Adj - The legislature approved adjustments in the Air Energy and Pollution Prevention Bureau to account for reduced expenditures in the base year due to a delay caused by late appropriations from Congress, and increased travel, communications, materials for the six vacant positions during the base year, and for indirect costs associated with increased staffing.

DP 2007 - Water Quality Monitoring TMDL Completion - The legislature approved 5.00 FTE and contracted services to increase the current pace and efficiency of Total Maximum Daily Load (TMDL) development in order to comply with a federal district court order. The program must complete all 1996 water body reassessments and full TMDL development for eight western watersheds by 2007, and complete all remaining necessary TMDLs by 2012.

DP 2019 - Database Maintenance Costs - OTO - The legislature approved a one-time-only budget request for the design and development of software and associated operating costs. This system will be used both by agency staff for Sufficient Credible Data/Beneficial Use Determination (SCD/BUD) tasks and a secured version for public viewing to satisfy Federal Clean Water Act reporting requirements.

DP 2021 - Statewide FTE Reduction - The legislature approved an FTE reduction equivalent to the reductions taken in the 2003 legislative session. This 1.00 FTE and nearly \$42,000 general fund per year will be removed from the budget permanently.

DP 2022 - Water Quality Monitoring TMDL Completion-OTO - The legislature approved a one-time-only request for two one-time database development and enhancement projects, to enhance data use entry and retrieval, and to assist in completing all future Total Maximum Daily Load (TMDL) projects.

New Proposals

New Proposals										
-----Fiscal 2006-----						-----Fiscal 2007-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2012 - BLM Funding for Water Quality Monitoring										
20	0.00	0	0	40,000	40,000	0.00	0	0	40,000	40,000
DP 2016 - Wetlands Grants Authority										
20	0.00	0	0	330,000	330,000	0.00	0	0	330,000	330,000
DP 2020 - Water Quality Management TMDL Temp. FTE OTO										
20	4.00	182,843	0	0	182,843	4.00	182,443	0	0	182,443
Total	4.00	\$182,843	\$0	\$370,000	\$552,843	4.00	\$182,443	\$0	\$370,000	\$552,443

DP 2012 - BLM Funding for Water Quality Monitoring - The legislature provided federal special revenue authority for Bureau of Land Management (BLM) funding each year to provide water quality monitoring on public lands managed by BLM.

DP 2016 - Wetlands Grants Authority - The legislature approved federal special revenue authority each fiscal year to restore base level funding caused by the federal wetland grants being received late in the base year.

DP 2020 - Water Quality Management TMDL Temp. FTE OTO - The legislature approved a one-time only request for 4.00 FTE for the 2007 biennium to provide on-the-ground work to increase the current pace and efficiency of Total Maximum Daily Load (TMDL) development in order to comply with a federal district court order.

Language

The legislature approved the following language for inclusion in HB2:

"The department is authorized to decrease federal special revenue in the water pollution control and/or drinking water revolving loan programs and to increase state special revenue by a like amount within the special administration account when the amount of federal capitalization funds have been expended or when federal funds and bond proceeds will be used for other program purposes."

Program Legislative Budget

The following table summarizes the legislative budget proposal for the program by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	14.00	0.00	0.00	14.00	0.00	0.00	14.00	14.00
Personal Services	659,987	33,612	0	693,599	33,842	0	693,829	1,387,428
Operating Expenses	270,729	44,484	0	315,213	47,640	0	318,369	633,582
Total Costs	\$930,716	\$78,096	\$0	\$1,008,812	\$81,482	\$0	\$1,012,198	\$2,021,010
General Fund	370,865	29,307	0	400,172	30,627	0	401,492	801,664
State/Other Special	148,722	102,620	0	251,342	103,509	0	252,231	503,573
Federal Special	411,129	(53,831)	0	357,298	(52,654)	0	358,475	715,773
Total Funds	\$930,716	\$78,096	\$0	\$1,008,812	\$81,482	\$0	\$1,012,198	\$2,021,010

Page Reference

Legislative Budget Analysis, C-67

Funding

The Enforcement Division is primarily funded with general fund, federal EPA partnership grant monies, and state special revenue sources such as air quality fees, junk vehicle fees, and public drinking water funds that are utilized for enforcement activities. The division receives RIT funding through the reclamation and development account.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget adopted by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2006-----					-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				62,513					62,751
Vacancy Savings				(28,901)					(28,909)
Inflation/Deflation				(2,306)					(2,260)
Fixed Costs				5,205					5,499
Total Statewide Present Law Adjustments				\$36,511					\$37,081
DP 3001 - Enforcement Operations Adjustment									
0.00	14,761	8,914	13,180	36,855	0.00	15,853	9,574	14,154	39,581
DP 3002 - Enforcement Vehicle Lease									
0.00	0	4,730	0	4,730	0.00	0	4,820	0	4,820
Total Other Present Law Adjustments									
0.00	\$14,761	\$13,644	\$13,180	\$41,585	0.00	\$15,853	\$14,394	\$14,154	\$44,401
Grand Total All Present Law Adjustments				\$78,096					\$81,482

DP 3001 - Enforcement Operations Adjustment - The legislature approved operating adjustments for anticipated increases in lab analysis, in-state travel, IT consulting, indirect, and printing costs.

DP 3002 - Enforcement Vehicle Lease - The legislature provided authority for a leased vehicle to replace a department owned vehicle that is no longer reliable and has high mileage.

Program Legislative Budget

The following table summarizes the legislative budget proposal for the program by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	63.75	(2.00)	0.00	61.75	(2.00)	0.00	61.75	61.75
Personal Services	2,606,998	407,696	0	3,014,694	407,499	0	3,014,497	6,029,191
Operating Expenses	5,090,874	3,320,285	5,179,663	13,590,822	3,219,405	3,679,663	11,989,942	25,580,764
Benefits & Claims	0	1,025,000	0	1,025,000	1,025,000	0	1,025,000	2,050,000
Transfers	0	0	0	0	0	0	0	0
Total Costs	\$7,697,872	\$4,752,981	\$5,179,663	\$17,630,516	\$4,651,904	\$3,679,663	\$16,029,439	\$33,659,955
General Fund	0	0	0	0	0	0	0	0
State/Other Special	2,096,708	1,470,283	3,600,000	7,166,991	1,420,080	2,100,000	5,616,788	12,783,779
Federal Special	5,601,164	3,282,698	1,579,663	10,463,525	3,231,824	1,579,663	10,412,651	20,876,176
Total Funds	\$7,697,872	\$4,752,981	\$5,179,663	\$17,630,516	\$4,651,904	\$3,679,663	\$16,029,439	\$33,659,955

Page Reference

Legislative Budget Analysis, C-70

Funding

The Remediation Division is funded with a mix of state special revenue and federal special revenue. The division does not receive any general fund. State special revenue comes from the \$.0075 gas tax for petroleum tank cleanup, registration fees for underground storage tanks, and interest proceeds from the resource indemnity trust (RIT) deposited to the environmental protection, orphan share, and hazardous waste accounts. Federal special revenue is derived from the United States Environmental Protection Agency (EPA) for Superfund oversight and various other activities, and the United States Office of Interior funds the Abandoned Mine Lands (AML) program.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget adopted by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2006-----						-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services				644,836					644,962	
Vacancy Savings				(130,071)					(130,075)	
Inflation/Deflation				(5,460)					(5,263)	
Fixed Costs				57,443					58,786	
Total Statewide Present Law Adjustments				\$566,748					\$568,410	
DP 4001 - Haz Waste Cleanup Operations Adjustment	0.00	0	131,269	(30,307)	100,962	0.00	0	84,997	(30,490)	54,507
DP 4002 - Mine Waste Cleanup Operations Adjustment	0.00	0	4,000	(33,874)	(29,874)	0.00	0	4,000	(33,874)	(29,874)
DP 4003 - Fiscal & Admin Operations Adjustment	0.00	0	(49,400)	70,857	21,457	0.00	0	(49,400)	70,446	21,046
DP 4004 - Technical Services Operations Adjustment	(2.00)	0	0	(107,069)	(107,069)	(2.00)	0	0	(107,388)	(107,388)
DP 4006 - Haz Waste Cleanup EQPF Biennial Authority OTO	0.00	0	125,000	0	125,000	0.00	0	125,000	0	125,000
DP 4008 - Mine Waste & Abandoned Mine Land Authority	0.00	0	0	2,900,000	2,900,000	0.00	0	0	2,900,000	2,900,000
DP 4009 - Lockwood Biennial Authority-Base	0.00	0	0	200,000	200,000	0.00	0	0	200,000	200,000
DP 4010 - Orphan Share Biennial Authority Oper . Adj. OTO	0.00	0	1,025,000	0	1,025,000	0.00	0	1,025,000	0	1,025,000
DP 4011 - Ustfields OTO	0.00	0	5,555	50,000	55,555	0.00	0	0	0	0
DP 4020 - Reduction to Balance EQPF	0.00	0	(104,798)	0	(104,798)	0.00	0	(104,797)	0	(104,797)
Total Other Present Law Adjustments										
	(2.00)	\$0	\$1,136,626	\$3,049,607	\$4,186,233	(2.00)	\$0	\$1,084,800	\$2,998,694	\$4,083,494
Grand Total All Present Law Adjustments				\$4,752,981					\$4,651,904	

DP 4001 - Haz Waste Cleanup Operations Adjustment - The legislature approved operating adjustments for the hazardous waste cleanup program and increased authority for agricultural monitoring for contracted services.

DP 4002 - Mine Waste Cleanup Operations Adjustment - The legislature approved an overall operating cost reduction due to a rent decrease and moving expenses associate with moving to a state owned building that are partially offset by increases in travel, operating expenses, and computer equipment, due to a vacancy in the base year. This would be funded with predominantly federal EPA dollars.

DP 4003 - Fiscal & Admin Operations Adjustment - The legislature approved operational adjustments that are the net of a reduction for decreased rent and non-recurring moving expenses, and an increase in contracted and temporary services and training to adjust for vacancies during the base year.

DP 4004 - Technical Services Operations Adjustment - The legislature approved a reduction due to internal agency reorganization where two information technology positions were moved from the Remediation Division to the Central Management Division.

DP 4006 - Haz Waste Cleanup EQPF Biennial Authority OTO - The legislature approved a \$250,000 state special revenue one-time-only biennial appropriation request for continued contracted services support for cost recovery litigation in the environmental quality protection fund (EQPF). These expenses, as well as remedial costs, would be recovered when litigation is complete.

DP 4008 - Mine Waste & Abandoned Mine Land Authority - The legislature approved \$2.9 million each fiscal year of the 2007 biennium to allow for the expenditure of previously awarded abandoned mine federal funds that were not expended as planned because of forest closures due to ongoing drought conditions, and because the department had not completed planning and review work as rapidly as initially planned.

DP 4009 - Lockwood Biennial Authority-Base - The legislature approved a biennial appropriation of federal authority to continue as technical lead for the Lockwood Solvent Ground Water Plume. The department would continue the monitoring/sampling program, and after the consent decree is complete, provide oversight and technical expertise for the remedial design and action on this Superfund site.

DP 4010 - Orphan Share Biennial Authority Oper . Adj. OTO - The legislature approved a one-time-only biennial appropriation from the orphan share account to reimburse eligible remedial action costs from contaminated sites, and to defend the orphan share during the liability allocation process.

DP 4011 - Ustfields OTO - The legislature approved a one-time-only appropriation of state special revenue and federal special revenue in FY 2006 to be used by the Hazardous Waste Cleanup Bureau to clean up abandoned sites contaminated with petroleum in order to create opportunities for redevelopment as well as to protect human health and the environment.

DP 4020 - Reduction to Balance EQPF - The legislature approved a reduction in funding to account for a shortfall in revenues to the environmental quality protection fund.

New Proposals

New Proposals											
-----Fiscal 2006-----						-----Fiscal 2007-----					
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 4005 - Brownsfields Grant Authority											
40	0.00		0	0	950,000	950,000	0.00	0	0	950,000	950,000
DP 4007 - LUST Cost Recovery Biennial Authority											
40	0.00		0	100,000	0	100,000	0.00	0	100,000	0	100,000
DP 4012 - Libby/Troy Asbestos Biennial Authority											
40	0.00		0	0	629,663	629,663	0.00	0	0	629,663	629,663
DP 4013 - CERCLA Bond Sales											
40	0.00		0	2,000,000	0	2,000,000	0.00	0	2,000,000	0	2,000,000
DP 4014 - Orphan Share Feasibility Study - (R/B/OTO) - SB489											
40	0.00		0	1,500,000	0	1,500,000	0.00	0	0	0	0
Total	0.00	\$0	\$3,600,000	\$1,579,663	\$5,179,663	\$5,179,663	0.00	\$0	\$2,100,000	\$1,579,663	\$3,679,663

DP 4005 - Brownsfields Grant Authority - The legislature approved federal special revenue authority each year of the 2007 biennium for the division's federal brownfields grant. A brownfield is a property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant. The federal grant program funds cleanup to increase opportunities for development and reuse of contaminated sites.

DP 4007 - LUST Cost Recovery Biennial Authority - The legislature approved a state special revenue biennial appropriation to recover federal grant funds expended in the cleanup of contamination from underground storage tanks. Under the Leaking Underground Storage Tank (LUST) federal law, any state-recovered monies are to be used for cleanup of other sites also meeting these site definitions. The recovered funds would supplement the LUST program to continue cleanup efforts where owners/operators of certain tanks are insolvent or recalcitrant.

DP 4012 - Libby/Troy Asbestos Biennial Authority - The legislature approved a biennial appropriation of federal special revenue for site investigation at the Libby/Troy Asbestos site. The town of Troy is part of the Libby Asbestos Site. The remedial investigation activities are intended to identify properties in the Troy area with Libby asbestos contamination.

DP 4013 - CERCLA Bond Sales - The legislature approved \$2 million state special revenue each year of the biennium to spend bond proceeds. This funding will support state obligations at the Libby/Troy, Basin/10-Mile, and East Helena national priority list sites in Montana.

DP 4014 - Orphan Share Feasibility Study - (R/B/OTO) - SB489 - The legislature approved a \$1.5 million one-time only, biennial and restricted general fund appropriation to conduct a remedial investigation and feasibility study at the Kalispell Pole and Timber, Reliance Refinery and Yale Oil facilities. The study would assist in determining the means and cost of cleanup. This appropriation is contingent upon the passage and approval of SB 489.

Language

The legislature approved the following language for inclusion in HB2:

“If Senate Bill No. 489 is not passed and approved, Orphan Share Feasibility Study is void.”

Program Legislative Budget

The following table summarizes the legislative budget proposal for the program by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	175.70	5.75	2.75	184.20	5.75	2.75	184.20	184.20
Personal Services	8,095,403	792,921	190,599	9,078,923	787,421	179,492	9,062,316	18,141,239
Operating Expenses	12,236,964	6,277,067	(252,958)	18,261,073	(5,733,404)	(274,358)	6,229,202	24,490,275
Equipment	12,621	0	0	12,621	0	0	12,621	25,242
Grants	1,457,581	316,599	0	1,774,180	431,998	0	1,889,579	3,663,759
Transfers	0	0	0	0	0	0	0	0
Total Costs	\$21,802,569	\$7,386,587	(\$62,359)	\$29,126,797	(\$4,513,985)	(\$94,866)	\$17,193,718	\$46,320,515
General Fund	814,615	9,888	135,568	960,071	15,586	123,762	953,963	1,914,034
State/Other Special	13,858,251	5,219,242	(124,691)	18,952,802	(2,639,076)	(145,232)	11,073,943	30,026,745
Federal Special	7,129,703	2,157,457	(73,236)	9,213,924	(1,890,495)	(73,396)	5,165,812	14,379,736
Total Funds	\$21,802,569	\$7,386,587	(\$62,359)	\$29,126,797	(\$4,513,985)	(\$94,866)	\$17,193,718	\$46,320,515

Page Reference

Legislative Budget Analysis, C-76

Funding

The division is funded with general fund and a variety of state and federal special revenue sources. The general fund provides four percent of the total funding and supports operating expenses.

State special revenues consists of forfeited hard rock reclamation bonds, proceeds from reclamation bonds, and fees collected for various activities, such as air permits, junk vehicle fines, and subdivision reviews. The division also receives Resource Indemnity Trust (RIT) interest via the reclamation and development account.

Federal special revenue sources include the Environmental Protection Agency, the Bureau of Land Management, and the Department of State Lands.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget adopted by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2006-----					-----Fiscal 2007-----					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services				889,552						887,311
Vacancy Savings				(359,405)						(359,304)
Inflation/Deflation				(26,861)						(26,308)
Fixed Costs				101,880						105,386
Total Statewide Present Law Adjustments				\$605,166						\$607,085
DP 5001 - Air Operating Adjustment	0.00	1,803	78,413	9,914	90,130	0.00	1,935	84,188	10,645	96,768
DP 5002 - Industrial & Energy Minerals Bur. Operating Adj	0.00	0	86,274	24,859	111,133	0.00	3,316	39,706	30,166	73,188
DP 5003 - Environmental Mgmt Bureau Admin Operating Adjust	0.00	17,080	34,678	0	51,758	0.00	18,143	36,837	0	54,980
DP 5004 - Hard Rock and MFSA Projects Operating Adjustments	0.00	0	3,448,688	1,391,871	4,840,559	0.00	0	(4,493,312)	(2,608,129)	(7,101,441)
DP 5005 - Public Water & Subdivisions Operations Adjustment	0.00	0	76,325	458,086	534,411	0.00	0	75,176	473,273	548,449
DP 5006 - Water Protection Bureau Operating Adjustment	0.00	2,210	34,430	22,397	59,037	0.00	2,395	37,544	23,569	63,508
DP 5007 - PCD Administration Operating Adjustment	0.00	0	5,000	0	5,000	0.00	0	5,000	0	5,000
DP 5008 - Waste & Underground Tank Mngmt Operating Adj	0.00	1,069	179,762	650	181,481	0.00	1,407	184,306	2,632	188,345
DP 5010 - Water Protection Bureau Wastewater Permitting	3.00	0	220,124	0	220,124	3.00	0	205,978	0	205,978
DP 5013 - Air Quality Research Technical Study-OTO	0.00	0	0	50,000	50,000	0.00	0	0	0	0
DP 5015 - Public Water Supply & Subdivision FTE	2.75	0	81,807	59,450	141,257	2.75	0	72,685	59,450	132,135
DP 5016 - Increase Grants to Counties	0.00	0	316,599	0	316,599	0.00	0	431,998	0	431,998
DP 5018 - Permitting & Compliance Division - Vehicles	0.00	0	4,932	0	4,932	0.00	0	5,022	0	5,022
DP 5024 - PCD Data Management OTO	0.00	0	75,000	0	75,000	0.00	0	75,000	0	75,000
DP 5025 - Subdivision Training & Review OTO	0.00	0	100,000	0	100,000	0.00	0	100,000	0	100,000
Total Other Present Law Adjustments	5.75	\$22,162	\$4,742,032	\$2,017,227	\$6,781,421	5.75	\$27,196	(\$3,139,872)	(\$2,008,394)	(\$5,121,070)
Grand Total All Present Law Adjustments					\$7,386,587					(\$4,513,985)

DP 5001 - Air Operating Adjustment - The legislature approved an operating adjustment to correct for an incorrect position classification, and to account for agency indirect charges resulting from increased staffing.

DP 5002 - Industrial & Energy Minerals Bur. Operating Adj - The legislature approved operating adjustments for contracted services to support personal desktop GIS projects, increased indirect charges due to increased staffing, overtime, rent increases in non-state owned buildings, and operating expenses including travel, field supplies, and computers.

DP 5003 - Environmental Mgmt Bureau Admin Operating Adjust - The legislature approved operating adjustments to pay for increased costs for assistance on environmental assessment contracts, lab analysis, printing, and supplies, as well as restore travel and indirect assessments due to vacancies during the base year. This includes authority for the Major Facility Siting Act (MFSA) program to support work by the department on projects no longer covered by fees but still required by law.

DP 5004 - Hard Rock and MFSA Projects Operating Adjustments - The legislature approved \$11.4 million for projects administered by the hard rock and Major Facility Siting Act (MFSA) programs. Projects include contracted reclamation of MFSA review activities and mine sites.

DP 5005 - Public Water & Subdivisions Operations Adjustment - The legislature approved operational cost adjustments in the Public Water and Subdivision Bureau. The adjustment included anticipated overtime, contract services, employee travel, non-employee travel, rent in non-state owned buildings, training, and increased indirect costs. The adjustment is the result of vacancies and conversion of operator certification testing and study materials to nationally accepted standards.

DP 5006 - Water Protection Bureau Operating Adjustment - The legislature approved a base adjustment to restore analytical costs, and for travel, and increased indirect costs due to vacancies in the base year.

DP 5007 - PCD Administration Operating Adjustment - The legislature approved an operating adjustment of contracted services to assist with personnel issues and increased travel. This would be funded with state special revenue from the reclamation and development fund.

DP 5008 - Waste & Underground Tank Mngmt Operating Adj - The legislature approved an operating adjustment in the solid waste, asbestos, and junk vehicle programs.

DP 5010 - Water Protection Bureau Wastewater Permitting - The legislature approved the addition of 3.00 FTE to increase the efficiency in the permitting processing. This request adds fees from pollutant discharge elimination permits to fund FTE to eliminate work backlogs and address anticipated increases in the permitting program due to coal bed methane development. The 3.00 FTE would include one engineer, one water quality specialist data expert, and one administrative support position.

DP 5013 - Air Quality Research Technical Study-OTO - The legislature approved a one-time-only restricted appropriation in FY 2006 to conduct emission sampling and analysis to establish unique PM-2.5 emission "fingerprints" for PM-2.5 sources in the Libby area. PM-2.5 is a fine particulate standard adopted several years ago by the EPA.

DP 5015 - Public Water Supply & Subdivision FTE - The legislature approved 2.75 FTE to meet mandated water system plan review processing time frames, and provide for plan review engineers to complete pre-application meetings with water system design consultants, owners, and operators.

DP 5016 - Increase Grants to Counties - The legislature approved funding to increase grant authority to counties for the subdivision and junk vehicle programs.

DP 5018 - Permitting & Compliance Division - Vehicles - The legislature approved \$4,932 in FY 2006 and \$5,022 in FY 2007 of state special revenue for one leased vehicle from the state Motor Pool.

DP 5024 - PCD Data Management OTO - The legislature approved a one-time-only, restricted, biennial, appropriation to continue data development projects currently in place, and for maintenance of data management systems already in place. Projects being developed are for air, hard rock, and opencut programs.

DP 5025 - Subdivision Training & Review OTO - The legislature approved a \$200,000 restricted, one-time-only, biennial appropriation that would provide training to realtors, developers, consultants, engineers, and county officials on the procedures of subdivision design and review under the requirements of the Sanitation in Subdivisions Act. The decision package would also allow for contracting with an outside entity to assist in subdivision plan reviews to deal with fluctuating workload.

New Proposals

New Proposals										
-----Fiscal 2006-----						-----Fiscal 2007-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 5020 - Hazardous Waste - Brownsfield Biennial Authority										
50	0.00	0	0	87,500	87,500	0.00	0	0	87,500	87,500
DP 5022 - Opencut Additional Staff										
50	2.75	0	169,101	11,564	180,665	2.75	0	159,563	11,404	170,967
DP 5026 - RHODIA Settlement										
50	0.00	0	(304,794)	(172,300)	(477,094)	0.00	0	(304,795)	(172,300)	(477,095)
DP 5027 - Termination Pay										
50	0.00	4,171	11,002	0	15,173	0.00	0	0	0	0
DP 5050 - Indoor Cleanup Standards for Methamphetamine Labs										
50	0.00	131,397	0	0	131,397	0.00	123,762	0	0	123,762
Total	2.75	\$135,568	(\$124,691)	(\$73,236)	(\$62,359)	2.75	\$123,762	(\$145,232)	(\$73,396)	(\$94,866)

DP 5020 - Hazardous Waste - Brownsfield Biennial Authority - The legislature approved a biennial appropriation of federal Brownsfield funding to continue contracted technical assistance for the review of contaminated sites redevelopment proposals. The purpose of the federal grant is to encourage the reuse and redevelopment of contaminated properties as commercial or industrial sites.

DP 5022 - Opencut Additional Staff - The legislature approved 2.75 FTE for the open cut reclamation program. The positions and associated costs would deal with the expected continuation of high numbers of new permit applications for sand and gravel mines. The FY 2007 request is lower due to one-time equipment costs.

DP 5026 - RHODIA Settlement - The legislature approved a reduction in base budget to be replaced with non-appropriated private funds received from the RHODIA Inc. criminal settlement. The court awarded the department \$1.8 million in restitution for violations of the state's hazardous waste permitting requirements. The court directed the money be used in implementing the state's hazardous waste program.

DP 5027 - Termination Pay - The legislature approved a one-time-only appropriation to cover the retirement payout of a long-term employee.

DP 5050 - Indoor Cleanup Standards for Methamphetamine Labs - The legislature approved general fund for 1.50 FTE and operations to support the development of cleanup standards for indoor methamphetamine labs. This is contingent upon the passage and approval of HB 60.

Language

The legislature approved the following language for inclusion in HB2:

"If House Bill No. 361 is not passed and approved, Permitting and Compliance Division is decreased by \$169,101 in state special revenue and by \$11,564 in federal special revenue in fiscal year 2006 and by \$159,563 in state special revenue and by \$11,404 in federal special revenue in fiscal year 2007. "

"If House Bill No. 60 is not passed and approved, Permitting and Compliance Division is decreased by \$131,397 in general fund money in fiscal year 2006 and by \$123,762 in general fund money in fiscal year 2007."

Program Legislative Budget

The following table summarizes the legislative budget proposal for the program by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	6.00	0.00	0.00	6.00	0.00	0.00	6.00	6.00
Personal Services	191,869	76,369	0	268,238	75,693	0	267,562	535,800
Operating Expenses	243,292	82,268	0	325,560	82,405	0	325,697	651,257
Total Costs	\$435,161	\$158,637	\$0	\$593,798	\$158,098	\$0	\$593,259	\$1,187,057
State/Other Special	435,161	158,637	0	593,798	158,098	0	593,259	1,187,057
Total Funds	\$435,161	\$158,637	\$0	\$593,798	\$158,098	\$0	\$593,259	\$1,187,057

Page Reference

Legislative Budget Analysis, C-84

Funding

The board is funded solely through a portion of the \$0.0075 fee on gasoline, diesel, heating oil, and aviation fuel distributed in Montana.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget adopted by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2006-----					-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				87,546					86,841
Vacancy Savings				(11,177)					(11,148)
Inflation/Deflation				(74)					(73)
Fixed Costs				12,342					12,478
Total Statewide Present Law Adjustments				\$88,637					\$88,098
DP 9001 - Petro Board Operating Adjustment									
0.00	0	70,000		70,000	0.00	0	70,000		70,000
Total Other Present Law Adjustments									
0.00	\$0	\$70,000		\$70,000	0.00	\$0	\$70,000		\$70,000
Grand Total All Present Law Adjustments				\$158,637					\$158,098

DP 9001 - Petro Board Operating Adjustment - The legislature approved a base adjustment of state special revenue each year of the 2007 biennium for increased legal activity associated with claim subrogation.

Language

The legislature approved the following language for inclusion in HB2:

"The department is authorized to expend up to 25% of subrogated petroleum tank release compensation funds to pay contract expenses associated with release subrogation activities. Expenditure of these funds is limited to the fee collected."